

A Work Project, presented as part of the requirements for the Award of a Masters
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External Brand Extensions Impact on Diesel's Brand Image

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Abstract

Diesel is a global urban brand that privileges individuality and irreverence. This project measures Diesel brand image within the different types of Portuguese consumers; the objective is to understand the main buying drivers and analyze the impact of brand licensing. It was concluded that Diesel global brand image is consensual among the consumers of each product category, but the purchasing drivers differ among them; Clothing and Time Frames consumers refer the brand itself as the main driver, while Shades and Fragrances consumers refer product attributes as the main driver. Additionally, Time Frames consumers reacted negatively when informed about the brand licensing, while Shades and Fragrances consumers tended to react positively.

Key Words: Brand Image, Brand Licensing, Diesel, External Brand Extensions

Note: Although the present report is written in English, interviews were held in Portuguese as the interviewees were all native Portuguese speakers.

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1. Work Project Objectives

I have recently participated in L'Oréal Brandstorm, the international business competition. This year's challenge was to create a new beauty product range for men for the brand Diesel. Harder than the process of developing a whole new product range was the challenging process of creating a concept that perfectly fit the philosophy of this exciting brand. Since this project required so much of me, I could not let my commitment with this brand to be over right after the competition finale; my curiosity on Diesel went further, and I decided to simultaneously elaborate this project.

Diesel licenses other companies to manage some of its products, such as L'Oréal for fragrances, Safilo for sunglasses and Fóssil for watches. On this Work Project I propose to study the impact of these external brand extensions on Diesel's brand image in the Portuguese market; the objective is to understand if there are symbioses or gaps on the brand image according to the different extensions' consumers. To reach that conclusion I assess dimensions such as main buying drivers, perceived competitors and associations to both product and brand. Additionally, the impact of brand licensing in brand image is also analyzed.

2. Context

2.1. The Brand Diesel

In order to illustrate the brand Diesel, its identity and historical evolution, the following sources were used: Fort, 2005; Grigorian and Chandon, 2008; Roberts, 2008; www.diesel.com, and data provided by L'Oréal under the Brandstorm competition.

2.1.1. Historical Evolution

Diesel is a ground-breaking company that designs high quality clothing and focuses on pioneering new textiles and manufacturing methods. The brand is present in 80 countries with more than 5000 points of sale, spread through 300 own-stores and several multi-brand stores.

The story of Diesel is a story of optimism, provocation and fun. Diesel Jeans started in 1978 when Renzo Rosso joined the Genesis group, the Italian textile manufacturer. Within this company, Rosso launched Diesel, a brand focused on making outstanding clothes to young-minded individuals.

Diesel has an unconventional vision of the world as a borderless macro-culture, full of like-minded individuals. The name "Diesel" was chosen because it has the same meaning and pronunciation almost all over the world. Diesel encourages a global trend, where followers belong to a universal tribe while keeping the individualism that pushed them to the brand in the first place. Diesel always struggled for individuality, even among other Diesel consumers, offering almost 3000 products across collections, but with a limited quantity of each product.

Communication is also globalized, focusing on the message rather than on the product. Cross cultural barriers are once again ignored, and similar marketing activities take place across borders, in an innovative and unique manner that speaks directly to the Diesel community, cultivating a second level paradigm. The brand focuses on stumbling the society, shocking the fashion industry itself; its communication is surrounded by controversy, attracting intelligent urban people who aim to feel different and provocative. The objective of this irreverent approach is to deliver a challenging and

provocative message, making people to instinctively think, question, act and react (see appendix 1 – Diesel Advertising).

“We work for ourselves and design for ourselves”, says Renzo Rosso. This philosophy helps the brand to keep its uniqueness and individuality that pleases consumers all over the world. Diesel communicates to open-minded people, and in Renzo Rosso's opinion, lifestyle matters more than age; the brand aims to attract independent personalities who live in their own way and express their uniqueness by the way they dress. The brand targets both male and female urban people who look for provocation and fun. For Diesel, comfort and quality come first, followed by a modern and irreverent style that upset parents all over the world.

Diesel follows its consumers and the world they live in, adjusting products and communication to each period: “we try to do things that are right for the moment we are living in” says Renzo Rosso. Since its birth in 1978, the brand has continually evolved, adjusting products, values and vision of the business.

At the beginning Diesel aspired to be a tough guys' brand, creating wild and worn-out looks; Diesel was focused on making stylish jeans and work-wear to brave and adventurous personalities. But this early purpose slowly shifted, and the brand gradually turned towards the consumer individuality and well-being. Diesel is no longer a simple work-wear brand, but a fashion urban street wear aiming to dress irreverent and unique personalities. It privileges a pleasant living and encourages an egocentric approach to the way life should be faced, inspiring consumers to act according to what they want and feel and not according to what society want them to be.

2.1.2. Brand Extensions

Diesel range of products has increased significantly, and nowadays one can find not only jeans but a whole range of fashion accessories targeting both male and female.

Under the main line, Diesel for Successful Living, the brand also covers two parallel collections: Diesel Kids, launched in 1984 and Diesel Black Gold, launched in 2007 to reach the casual-luxury segment; these lines can be found in the same point-of-sales as the main line. Additionally, in 1994 the brand launched 55DSL, reaching a younger and more active target; this line is sold in separate stores, and possesses its own website.

Diesel also developed external brand extensions, through licensing other companies. A brand license is when a product or service is provided by a company that has bought the right to use the brand name and logo, rather than provided by the original brand owner (Wiedmann and Lugewig, 2008). Diesel licenses L'Oréal for its Fragrances line, Safilo for its Shades collection and Fossil for its Time Frames products.

Fragrances: In 2007 Diesel decided to license L'Oréal for its Fragrances line. L'Oréal launched two lines from Diesel: Fuel for Life, in 2007 and Only the Brave, in 2009. Both lines offer eau de toilette, aftershave, deodorant, shower gel and body lotion; products can be found in perfumeries and Diesel stores.

Shades: In 1994 Diesel licensed the Italian Safilo, an optical and sunglasses manufacturer, in order to be present in the eyewear market. Diesel sunglasses can be found in optical services and Diesel stores.

Time Frames: Diesel and Fossil have been working in partnership since 1999, but it is in August 2005 that Diesel signs a licensing agreement with Fossil to manage its Time Frames line; products can be found in watch and Diesel stores.

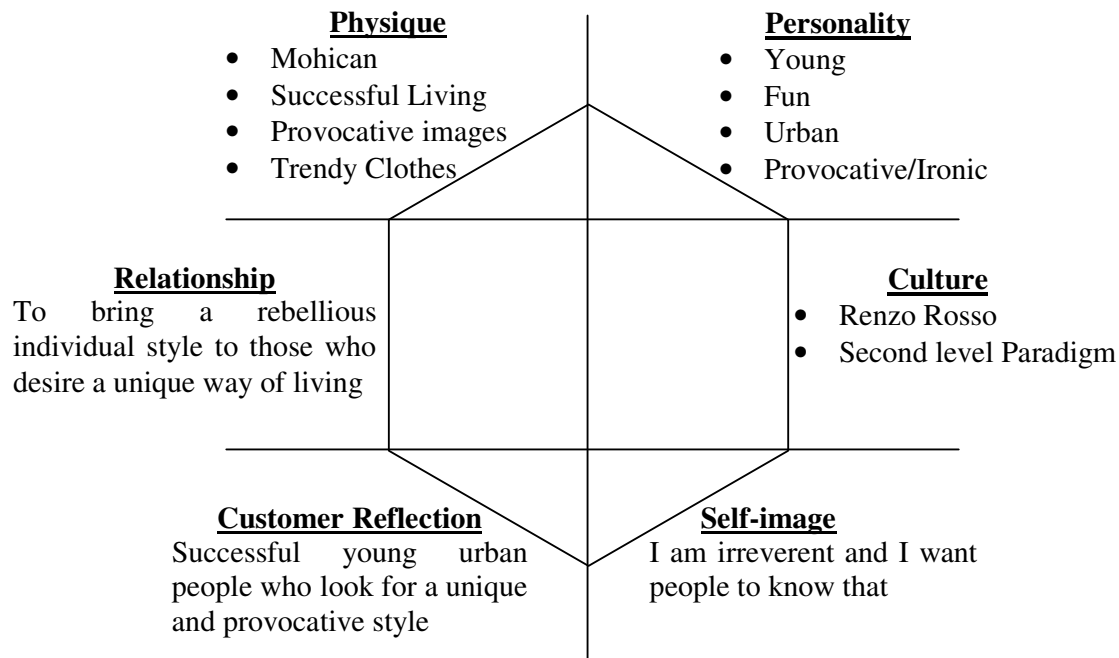
(See appendix 2 – Diesel Product Portfolio)

2.1.3. Brand Identity

Kapferer (1986) defines brand identity as what makes the brand unique and what it stands for. Balmer (1998) shares Kapferers' position and urges that brand identity defines the uniqueness that can help the brand to differentiate among competitors. Kapferer conceptualized brand identity as a hexagonal prism, focusing on the following six facets: physical, relationship, customer reflection, personality, culture and self-image (See appendix 3 – Kapferer Identity Prism).

Using this method, and according to what was said above, one can draw Diesel brand identity in the following prism.

Diesel Brand Identity (Kapferer Identity Prism)



2.2. Literature review on Brand Extensions

2.2.1. Growth Strategies

A management tool to consider growing strategies is the Ansoff Product-Market Growth Matrix (1957). This tool considers two product growth possibilities (existing or new products) and two market growth possibilities (existing or new markets), creating four potential growing strategies.

	Existing Products	New Products
Existing Market	Market Penetration	Product Development
New Market	Market Development	Diversification

Source: Ansoff (1957)

The Market Penetration strategy is the one carrying lower risks, since products, technology and market are already known by the company. On the other hand, Market Development and Product Development strategies carry a medium risk, since either market or products are unknown to the company. Diversification is the growth strategy that carries the highest risk, since both products and market are unknown to the company. A Diversification strategy includes increasing sales volumes and consequently profitability, by introducing new products in new markets.

2.2.2. Brand Extensions

Keller and Aaker (1990) have defined brand extension as the use of an established brand to enter new product categories or classes. A brand extension can be either line extension or category extension. A line extension is when a new product targets a new market segment within a product category currently served by the parent brand (Keller, 2003). These extensions are seen as relative low risk to both company and consumers due to low introduction costs and the familiarity with target and product (Stegemann 2006).

On the other hand, a category extension is the use of an existing brand name on a new product in a new category (Batra, Lenk and Wedel, 2010).

Because many brand owners do not have the resources to take advantage of every business opportunity, they use trademark licensing to enter new markets beyond their core capabilities (Martensen, 2004). In brand licensing the brand owner (licensor) grants the brand user (licensee) the right to use the brand in association with a defined product or service, for a defined period of time against the payment of a specific license fee (Keller, 2003; Völckner and Staller, 2006). Brand licensing can also be referred to as external brand extension, in contrast to internal brand extension, where the brand owner manages the new extension himself (Aaker and Keller, 1990; Sattler, 2006; Smith and Park, 1992). Companies use external brand extension strategies to launch new products in the market, aiming to transfer the goodwill of an existing brand to a new product (Loken and John, 1993).

Regarding Diesel, one can state that the brand opted for a product development strategy when launching line extensions with its different collections. Contrarily, the brand opted for a diversification strategy when launching category brand extensions such as Fragrance, Shades or Time Frames lines. This is considered a diversification strategy since the brand is introducing unfamiliar products in a market where it has no experience. Additionally, one must also consider these category extensions as external, since Diesel licensed other companies the right to use its brand name and logo rather than managing the category itself.

2.2.3. Brand Extensions Effects

According to the definition of Park et al. (1991), brand extension's effects can be characterized as a change in attitudes and beliefs of consumers with respect to a specific

brand, reflected in image and brand strength as well as in changed buying behavior. But, launching a brand extension may carry effects to the company as a whole, not only in a consumer perspective, but also in a corporate perspective.

Corporate Perspective:

	Positive Effects	Negative Effectives
General Brand Extensions	<ul style="list-style-type: none"> • Reduction of risks and costs related to launching new products (Tauber, 1985) • Increase sales/profit (Roedder-John, Loken and Joiner 1998) • Increase market share (Smith and Park 1992) • Positive spillover effects in advertisement with additional contacts with the brand (Balachander and Ghose, 2003) • Boost of business by expanding product portfolio (Wiedmann and Ludewig, 2008) 	<ul style="list-style-type: none"> • Decrease of brand's effectiveness as the number of extensions associated with it increases (Aaker 1990; Kesler 1987; Ogiba 1988; Tauber, 1988) • An unsuccessful extension might seriously jeopardize a business unit's or company's existence (Augustin and Nijssen, 2005) • Brand proliferation make it difficult to keep things within the brand manager's span of control (Osler, 2004)
External Brand Extensions (Licensing)	<ul style="list-style-type: none"> • Improvement of promotional and retail partnerships (Wiedmann and Ludewig, 2008) • Licensees spend their own money advertising and promoting the brand, increasing advertising efficiency (Feldman, et al., 2010) • Expansion of business and revenue without making an initial investment, increasing staff or bearing high risks (Feldman, et al., 2010) • Increase barriers to entry to competitors, due to the creation of strategic alliances (Feldman, et al., 2010) • Possibility of managers to keep their attention focused on the core businesses (Feldman, et al., 2010) 	<ul style="list-style-type: none"> • Compared with non-owners, owners are likely to have greater liking, familiarity, knowledge and involvement with the brand (Ding, Fu, Qu, 2009) • Brand owners concern more about extensions' image consistency than non-owners (Ding, Fu, Qu, 2009) • Non-owners have less experience and knowledge of the parent brand, (Ding, Fu, Qu, 2009) • Non-owners do not normally hold as favorable brand affect and beliefs towards a brand as owners do (Ding, Fu, Qu, 2009)

Consumer Perspective:

	Positive Effects	Negative Effectives
General Brand Extensions	<ul style="list-style-type: none"> • Clarify the meaning of a brand to consumers (Tauber, 1981) • Enhance and facilitate brand's awareness, increasing the consumer perceived value of the brand (Aaker 1990; Keller 2003) • Improve brand image by a strengthened brand confidence in the course of a positive perceived brand extension (Aaker, 1990; Keller, 2003) • Increase variety, providing more choice to consumers and satisfying their variety seeking needs (Kahn 1998) • Expansion of brand presence, making more connections with consumers (Feldman, et al., 2010) • An extension in a category that shares the same benefit can increase the values of the brand in the original product category (Broniarczyk and Alba, 1994) 	<ul style="list-style-type: none"> • If the extension fails, there is the risk of a badwill transfer that may affect the overall brand image (Aaker, 1990) • If a firm launches extensions that consumers consider not fitting the brand, they may question the integrity and coherency of the brand as a whole (Tauber, 1981) • Extensions run the risk of diluting what the brand name means to the customers (John and Loken., 1993) • Brand extensions can weaken the customer's feelings and opinions about the brand name (John and Loken., 1993) • Customers may question the company's skill in making a good new product, and if it is confusing, customers may ridicule the extension (Aaker and Keller, 1990)
External Brand Extensions (Licensing)	<ul style="list-style-type: none"> • Brand licensing may increase brand awareness (Birkin, 2003) • All the emotions and impressions that consumers connect with a potential licensee will quickly become linked with the association (Birkin, 2003) • Getting third parties to manufacture merchandise featuring a brand's logo seems an easy way of building the brand (Benady, 2010) • When a brand extends its attitude in a way that is believable to consumers (licensing) it leads to increased consumption (Bass, 2005) 	<ul style="list-style-type: none"> • Once consumers learn that a product is not manufactured by the brand owner they may form unfavorable associations (Wiedmann and Ludewig, 2008) • Consumers might assume that brand licensing has an adverse effect on quality (Feldman, et al., 2010) • Licenses can dilute a brand, eventually undermining its values and sending out confusing messages about what it stands for (Benady, 2010) • A side effect of extending beyond the company's core competencies is that it can result in a change of perception and direction for the brand (Bass, 2004)

3. My Research

3.1. Methodology

The first step of this project was to collect as much information as possible on the brand Diesel and its brand extensions. The objective was to get in touch with the brand, understanding its values, its evolution and the way brand extensions relate to the parent brand. The knowledge gathered while participating in the L'Oreal Brandstorm turned out to be a crucial asset for the development of this step, but not enough; the brand required me to do field research, going to the store, trying products and talk to both employees and clients. At the same time, theoretical research was carried, and the literature review on brand extensions was concluded. The data collected on this process was vital to well conduct the next step and extract crucial information from consumers that hugely helped me to reach conclusions.

The second step was to understand Diesel's brand image in consumers' minds. Brand image refers to the set of associations linked to the brand in the customer's mind (Keller, 1993). Martinez and Chernatony (2004) argue that brand image can be analyzed from two aspects: general brand image, regarding the brand name and its symbolic aspects, and product brand image, regarding physical attributes and product's functional and emotional benefits. In this research in depth interviews were conducted to Portuguese residents, between 16 and 40 years old, who knew the brand and had at least one of its products. Respondents were divided in four groups according to the products they had (Clothing, Fragrances, Time Frames and Shades), and were asked to talk about their products, the importance of the brand in the buying decision, the relationship between brand and product and potential substitutes. A projective technique was also applied where respondents were asked about brand associations and personality.

Additionally, respondents who use a product belonging to one of Diesel licensees (Time Frames, Fragrances, Shades) were told about the licensing, and asked if that changed their opinion (See appendix 4 – Interview Guide).

The initial objective was to interview at least 12 respondents of each group, but due to the difficulty of finding consumers of some groups, the samples of Shades, Fragrances, Time Frames and Clothing were respectively, 10, 11, 13 and 17 consumers. The whole sample was composed by 39 people, where 22 were female and 17 were males, 16 students and 23 workers; the range of ages goes from 17 to 34 years old, with an average age of 25,5 years old. There were 8 respondents using only Clothing, 2 using Clothing and Shades, 4 using Clothing and Time Frames and 3 using Clothing and Fragrances; there were 5 respondents using Shades only, 1 using Shades and Time Frames and 2 using Shades and Fragrances; there were 8 respondents using Time Frames only and 6 using Fragrances only.

3.2. Main Results

3.2.1. Clothing

Main Buying Drivers: The great majority of interviewees point the fact that they feel connected to the brand as the main buying driver; the Diesel store is frequently mentioned as being the first place where respondents go when they need to buy clothes. The quality of the products is also frequently mentioned as a reason to buy Diesel; interviewees trust the brand and believe that it has the answer for what they are looking for. The brand revealed to be a crucial factor on the buying decision.

Quotes
<p>“Quando preciso de comprar roupa vou directamente à loja da Diesel porque sei que vou encontrar o que procuro...roupa com estilo e qualidade.” (Male, 23, Student, Clothing & Time Frames)</p> <p>“Compro muita roupa na Diesel porque me identifico com os valores da marca e sei que é tudo da melhor qualidade.” (Female, 29, Restaurant Owner, Clothing)</p> <p>“Estar na moda é muito importante para mim, e a Diesel é sem dúvida uma das marcas que está na linha da frente. Pago pela individualidade que a marca tem para me oferecer.” (Male, 27, Lawyer, Clothing & Shades)</p> <p>“A principal razão pela qual compro Diesel é porque me sinto muito confortável com o que esta marca representa.” (Female, 23, Financial Advisor, Clothing & Shades)</p>

Perceived Competitors: Even if a representative number of respondents argue that Diesel is their favorite brand, some other brands are pointed as similar to this one, such as Pepe Jeans, Sisley and Levi's. The mentioned points of similarity are originality and creativity. Additionally, some respondents believe that these brands were not only substitutes but also complementaries.

Quotes
<p>“Para mim, logo depois da Diesel está a Pepe Jeans, que também vende roupa muito diferente do normal.” (Female, 23, Consultant, Clothing)</p> <p>“A Pepe Jeans e a Diesel complementam-se... parece que foram feitas para andarem juntas.” (Male, 23, Student, Clothing & Time Frames)</p> <p>“Há outras marcas que servem o mesmo propósito, tipo a Pepe Jeans ou a Sisley por também irem neste seguimento de serem muito criativas” (Male, 29, Doctor, Clothing & Times Frames)</p> <p>“A única marca que pode substituir a Diesel é a Levi's. Acho que são as duas muito boas.” (Female, 23, Financial Advisor, Clothing & Shades)</p>

General Brand Image: the most referred association made by respondents is irreverence. Besides this, respondents frequently mentioned creativity, provocation,

trendy, lifestyle, irony, individuality and status. Some interviewees mentioned that the brand stands for an intelligent irreverence, far from the “teenage rebellious”. Additionally, the brand is pointed by some respondents as being inaccessible, not only in terms of price but also in terms of style.

Quotes
“A Diesel é sinónimo de estilo e provocação. Transmite uma imagem de rebeldia e irreverência...mas não é aquela irreverência adolescente, é uma irreverência inteligente.” (Male, 23, Student, Clothing & Time Frames)
“Usar Diesel não é para quem quer, é para quem pode! E nem estou só a falar do preço...mesmo a nível de estilo.” (Female, 23, Consultant, Clothing)
“Gosto da irreverência da marca e acredito que ao vestir Diesel, um bocadinho dela passa para mim.” (Female, 23, Lawyer, Clothing)
“A Diesel defende individualidade, irreverência, personalidade, e a loja é a materialização de tudo isto.” (Male, 17, Lawyer, Clothing & Shades)
“Tenho pena que a marca seja tão inacessível...é cara e tenho a noção que há poucas lojas no país que vendem Diesel.” (Female, 25, Social Assistant, Clothing)
“Toda a gente sabe que ter uma roupa da Diesel é um personal statement” (Female, 33, Journalist, Clothing)

Product Brand Image: most respondents believe that the brand stands for quality products with a “special touch”, which transform them in eternal products. Respondents also believe that the brand reaches a perfect balance between irreverence and formality, creating dynamic products that can be used anywhere. Inevitably, the brand is also associated to jeans and to expensive products.

Quotes
“Usar Diesel é ser cool e ter roupa de qualidade, como se fosse <i>cool em qualidade gourmet</i> .” (Female, 33, Journalist, Clothing)
“A Diesel tem um design especial que as outras marcas não têm...e uma qualidade fora de série.” (Male, 23, Student, Clothing & Time Frames)

“A marca tem roupa intemporal, que nunca passam de moda...depois tem uma qualidade que suporta essa intemporalidade.” (Male, 25, Manager, Clothing)

“A roupa deles tem um toque de arte...são criativos e inovadores.” (Male, 29, Doctor, Clothing & Time Frames)

“Mesmo sabendo que é uma marca cara, eu não me importo, porque é a única marca que me dá um estilo próprio.” (Male, 27, Lawyer, Clothing & Shades)

“A Diesel é das poucas marca que me dá precisamente o estilo que eu quero. Às vezes parece que as roupas foram feitas para especialmente mim.” (Male, 27, Lawyer, Clothing & Shades)

“É impossível não associar a Diesel a calças de ganga...é uma imagem de marca deles” (Female, 23, Financial Advisor, Clothing & Shades)

3.2.2. Fragrances

Main Buying Drivers: the product characteristics are the most mentioned buying driver; respondents frequently mentioned not only the scent but also the bottle of the perfume as the main buying reason. Since some respondents were offered the perfume, they could not point the main purchasing reason. The brand revealed not to be a crucial factor on the buying decision.

Quotes

“Não sou grande fã da Diesel, mas o frasco era muito original e como o cheiro também era porreiro decidi comprar.” (Male, 23, Student, Fragrances)

“Comprei o perfume porque gostei do cheiro. Desde que cheire bem, a marca não interessa para nada.” (Female, 18, Student, Fragrances)

“O facto de ser da Diesel não conta muito, até porque não está escrito na minha testa que o meu perfume é da Diesel” (Female, 22, Student, Fragrances)

“Aqui acho que a marca teve pouca influência... se o perfume não fosse bom não comprava só porque era da Diesel” (Female, 26, Engineer, Fragrances)

“Eu não tinha nenhum perfume na altura e usava o do meu irmão de vez em quando. Ele ficava todo irritado por gastar do dele, então ofereceu-me um igual no Natal” (Male, 25, Nurse, Fragrances)

Perceived Competitors: no conclusion could be reached on the Fragrances perceived competition. Since most respondents choose the perfume due to product attributes, mainly the scent, it varies from person to person; each respondent mentioned a different brand as a competitor, and since it depends on individual preferences, any pattern can be drawn.

General Brand Image: in general, respondents perceive the brand as irreverent, extravagant and provocative. The majority of respondents of this group use only a perfume from the brand, and even if they understand the brand and its values, they do not feel connected to the brand.

Quotes
“Acho a Diesel uma marca muito à frente, mas usa um tom que não é o meu.” (Male, 23, Student, Fragrances)
“É uma marca muito provocadora, mais para pessoas que gostam de dar nas vistas” (Male, 29, Vet, Fragrances)
“A Diesel é uma marca irreverente demais para mim, gosto mais de coisas simples.” (Male, 23, Student, Fragrances)
“Admito que a marca é muito extravagante, mas não é o meu estilo.” (Male, 25, Nurse, Fragrances)
“Mesmo não sendo consumidora, nem me identificando nada com a roupa, tenho que admitir que a Diesel supera-se enquanto marca.” (Female, 27, Manager, Fragrances)
“Diesel é força, energia, carisma...mas não é a minha marca.” (Female, 22, Student, Fragrances)

Product Brand Image: respondents of this category referred to the generality of Diesel products as being too expensive for what it is, and most of them think products have too

many details. Respondents do not identify their style with the products sold by Diesel, even though they perceive the brand as a quality jeans producer.

Quotes
“Irrita-me um bocado que alguém gaste 40 euros numa T-shirt só porque diz Diesel.” (Male, 23, Student, Fragrances)
“A Diesel para mim é uma boa marca de calças de ganga, acima de tudo.” (Female, 26, Engineer, Fragrances)
“Não costumo comprar roupa porque é demasiado sofisticada para mim...gosto de roupas menos elaboradas.” (Male, 25, Nurse, Fragrances)
“Diesel para mim é sinónimo de moda...mas moda que infelizmente não é para o meu bolso (...) mesmo que tivesse muito dinheiro nunca iria gastar tanto em roupa.” (Female, 18, Student, Fragrances)

Brand Licensing: none of the respondents knew that L'Oréal owns the license to manage Diesel Fragrances collection. When confronted with this information, respondent reactions were not negative; the ones who did not find it irrelevant, found it as a positive association to the Fragrances line.

Quotes
“Não fazia ideia, mas isso não muda nada.” (Female, 26, Engineer, Fragrances)
“Não sabia, mas isso dá credibilidade aos perfumes.” (Female, 18, Student, Fragrances)
“Acho bem porque a L'Oréal tem muita experiência nessa indústria.” (Male, 24, Manager, Fragrances)

3.2.3. Time Frames

Main Buying Drivers: on this segment, some respondents mentioned the brand values as the main buying driver, while others mentioned product characteristics. Additionally, a few interviewees were offered the product, and therefore could not point the main purchasing reason. The brand revealed to be a crucial factor in the buying decisions for

some respondents (mostly those who use other Diesel products), while for others it revealed not to be crucial, mentioning product attributes as the main driver.

Quotes
“O relógio é um <i>fashion item</i> ...se não fosse Diesel provavelmente não o teria comprado.” (Male, 25, Student, Clothing & Time Frames)
“Como não tenho dinheiro para comprar roupa da Diesel, comprei um relógio ...assim fico com um estilo Diesel e uso roupa mais barata” (Female, 24, Biologist, Time Frames)
“No que toca a relógios vou mais pelo design e pelas características que estou à procura do que pela marca em si” (Male, 22, Student, Time Frames)
“Eu ia comprar um relógio de qualquer forma, e ser da Diesel ou não era um bocado indiferente.” (Male, 29, Consultant, Time Frames)
“Este relógio foi-me oferecido...eu nunca iria gastar dinheiro nisto, nem noutra peça qualquer da Diesel.” (Female, 24, Student, Time Frames)

Perceived Competitors: several brands were mentioned as a Diesel competitor in watches, but the most mentioned one was Fóssil. Respondents find Diesel watches very similar to the Fóssil ones.

Quotes
“Os relógios da Diesel e da Fóssil são muito o mesmo estilo...são muito semelhantes mesmo.” (Male, 23, Student, Time Frames)
“A que mais me chamou a atenção para além da Diesel foi a Fóssil.” (Male, 25, Unemployed, Time Frames)
“Prefiro a Diesel...dá mais pinta, até porque a Fóssil agora está toda <i>Morangos com Açúcar</i> .” (Male, 22, Student, Time Frames)
“Tive na dúvida entre o da Diesel e um da Fóssil.” (Female, 22, Student, Time Frames)

General Brand Image: in general, respondents perceive the brand as irreverent, sophisticated and sexy. The majority of respondents of this group identify themselves with the brand and its values, even if they do not use much more than a watch.

Quotes
“A Diesel dá aquele toque de sofisticação, mesmo que o relógio seja tão bom como outro qualquer, ou tão giro como um de outra marca.” (Female, 22, Student, Time Frames)
“A Diesel dá uma imagem sexy a quem a usa...seja relógios, roupa ou outra coisa.” (Male, 25, Student, Clothing & Time Frames)
“A Diesel representa irreverência, ir contra o que é aceite por todos na sociedade. Apela a que cada pessoa expresse quem é e o que sente e acho que é muito fácil uma pessoa identificar-se com isso.” (Female, 21, Student, Time Frames)
“A Diesel representa estilo...não só estilo de roupa, mas um estilo de vida! Diesel é mais do que uma marca que vende roupa, vende uma filosofia de vida.” (Male, 23, Student, Time Frames)

Product Brand Image: Most respondents perceive a premium quality on the generality of the products sold by Diesel, even though a great number referred the products as being too expensive. Regarding the specific case of watches, respondents perceive them as quality products, perfectly fitting a young adult target. Additionally, some interviewees admitted that they used the Diesel watch to provide the Diesel look, even if they do not own any other product.

Quotes
“São relógios mais de homem, não tanto de adolescente” (Male, 23, Student, Clothing & Time Frames)
“Os relógios da Diesel juntam duas coisas muito importantes: estilo e qualidade.” (Female, 22, Student, Time Frames)
“Uso o relógio Diesel, para me dar aquele ar...mas depois compro a roupa em sítios bem mais baratos.” (Female, 22, Student, Time Frames)

“Os preços são demasiado elevados, e daí eu não ter mais nada sem ser o relógio.” (Female, 27, Manager, Time Frames)

“Os preços são exagerados para a roupa que é...uso marcas mais baratas e depois complemento com um acessório da Diesel” (Male, 25, Unemployed, Time Frames)

Brand Licensing: almost none of the respondent knew that Fóssil owns the license to manage Diesel Time Frames collection; they were not surprised, due to the similarity of both brand watches, but when confronted with this information, some reacted negatively, while others ignored it.

Quotes

“Os relógios de facto são parecidos, mas isso tira *power* à Diesel.” (Female, 22, Student, Time Frames)

“Fóssil? Isso é mesmo relógio de miúdos, fico um bocado desiludido.” (Male, 28, Psychologist, Time Frames)

“Eu paguei para ter um relógio da Diesel, feito pela Diesel, e não por outra marca qualquer.” (Male, 23, Student, Clothing & Time Frame)

3.2.4. Shades

Main Buying Drivers: on this segment, some respondents mentioned the brand values as the main buying driver, but the majority mentioned product characteristics. The brand revealed to be an important factor in the buying decision for some respondents (mostly those who use other Diesel products), while for others it revealed not to be crucial, being the product identified as the main driver.

Quotes

“Só quando os experimentei é que vi que eram da Diesel. Se os óculos fossem de outra marca qualquer comprava-os na mesma” (Male, 23, Student, Shades)

“Gostei dos óculos pelos óculos em si, e não pela marca.” (Female, 24, Massagist, Shades)

“Fui a uma loja de óculos e estes eram os que me ficavam melhor” (Female, 26, manager, Shades)
“Escolhi a Diesel pela exclusividade e pela pinta que dá aos óculos...os óculos têm mais pinta por serem Diesel.” (Female, 22, Student, Clothing & Shades)

Perceived Competitors: any conclusion could be reached on the Shades competitor.

The preferences vary from person to person and each respondent mentioned a different brand as a competitor; due to a lack of conclusive results any pattern could be drawn.

General Brand Image: in general, respondents perceive the brand as irreverent and sexy. The majority of respondents of this group identify themselves with the brand.

Quotes
“É uma marca que apela muito a ser sexy.” (Male, 23, Student, Shades)
“A Diesel é arrojada, e muito.” (Male, 22, Telemarketing Assistant, Shades)
“Quando penso na Diesel, a palavra que me ocorre é vivacidade” (Female, 24, Massgaist, Shades)
“Acho a marca transmite energias positivas, boas vibrações e boa onda.” (Female, 29, Professor, Shades & Times Frames)
“A Diesel é uma marca com imensa pinta” (Female, 22, Student, Shades & Fragrances)
“É uma marca que tenta chocar ao fazer aquelas campanhas completamente fora do normal.” (Female, 26, Manager, Shades)

Product Brand Image: Most respondents perceive a premium quality on the generality of the products sold by Diesel, even though the majority sees the products as being too expensive for what it is. Some respondents consider Diesel clothes as being too detailed, not fitting their style. Regarding the specific case of sunglasses, respondents perceive them as quality products.

Quotes
“Acho que os produtos são bons, mas caros também.” (Male, 23, Student, Shades)
“Gosto da marca, mas tem roupa demasiado elaborada.” (Male, 26, Nurse, Shades)
“Recuso-me a dar tanto dinheiro por umas calças” (Female, Pharmacist, 26, Shades)
“É uma marca exclusiva e elegante sem ser chique...é aquele casual chic” (Female, 22, Student, Shades & Fragrances)

Brand Licensing: almost none of the respondent knew that Safilo owns the license to manage Diesel Shades collection. When confronted with this information, the majority of respondents reacted positively, while others ignored it.

Quotes
“Com os olhos não se brinca, e fico feliz por saber que a Diesel só dá a marca, o resto é feito por uma empresa especializada.” (Female, 22, Student, Shades & Fragrances)
“Não conheço a Safilo, mas parece-me bem.” (Female, 24, Massgaist, Shades)
“Não sabia, mas isso não muda nada do que disse até agora.” (Male, 22, Telemarketing Assistant, Shades)

4. Conclusions

Respondents from Clothing and Time Frames groups refer both product and brand as main buying drivers, while respondents from Fragrances and Shades groups mostly refer product characteristics as the main buying driver. Additionally, some interviewees were offered products, and therefore could not specify a main buying driver.

Pepe Jeans, Sisley and Levi's are mentioned as the main Clothing competitors, while Fóssil is mentioned as the main Time Frames competitor. Since respondents hugely diverged when mentioning competitors to Fragrances and Shades, any pattern can be drawn and no conclusion can be reached; this lack of pattern may be due to the fact that these consumers give more value to product characteristics than to brand attributes.

Regarding the general brand image, one can state that a symbiosis exists within the different respondent groups. Regardless of the product they use, and the words they used to describe it, the global image of the brand is coherent; almost every respondent admitted that the brand evokes irreverence, provocation, extravagance, fun and sophistication, whether they used many products or not, whether they identify themselves with these values or not.

On the other hand, one must conclude that there is a gap within the different respondents regarding product brand image. Even if the generality of respondents agree that Diesel products are high quality and expensive, product perceptions diverged hugely. Respondents belonging to the Clothing and Time Frames group perceive the generality of Diesel products as having a special element that provides products a distinct touch of irreverence; most of the interviewees believe Diesel provides a social status that gives them unique styles. On the other hand, respondents belonging to the Fragrances and Shades group perceive the generality of Diesel products as being too extravagant and provocative, not fitting their styles, and being too expensive; even though, some Shades users admitted they used the product as a symbol of social status.

Interestingly enough, some Time Frames and Shades respondents confessed they used these products to provide a social status, since they could not afford more than the product they use; these people opt to wear cheap clothes and use a Diesel watch or sunglasses to provide the desired image.

Concerning users of Time Frames, Fragrances and Shades, the great majority ignored the existence of brand licenses on these lines. Users of Fragrances were generally satisfied with this information, since they trust the licensed company and perfectly understand the need to form such an alliance, confirming Birkin (2003) and Bass (2005)

theory. Users of Shades were generally satisfied with this information as well; even though the great majority did not know Safilo, they were not concerned with this alliance. Both users of Fragrances and Shades declared that this would not change the way they see Diesel; remember that the main buying drivers for these people were product attributes and not brand characteristics, which is an indicator of the low involvement with the brand. Users of Time Frames were generally unsatisfied with this information; it appears that this product category carries a higher involvement with the brand, instead of depending on product attributes only. Most users revealed to be disappointed with this alliance, since they would prefer Diesel to manage this collection itself, confirming Wiedmann and Ludewig theory (2008).

5. Limitations and Further Research

This project carries the usual limitations of a qualitative research. In a quantitative research, validity determines whether the study measures that which it was intended to measure or how truthful the research results are (Joppe, 2000). When conducting a qualitative research, issues related to validity can be raised due to the subjectivity of the method and the difficulty of replicating the study. Qualitative research turns out to be a very time consuming investigation, where researched bias are unavoidable.

A qualitative research on the subject could not be carried up to this point since there was not enough information on the topic to test with such a method. Currently, a this type of research could be applied to confirm the results achieved on this study and test them in a larger scale. Still, some limitations would remain, such as the difficulty of finding at least 30 consumers of each group of interest.

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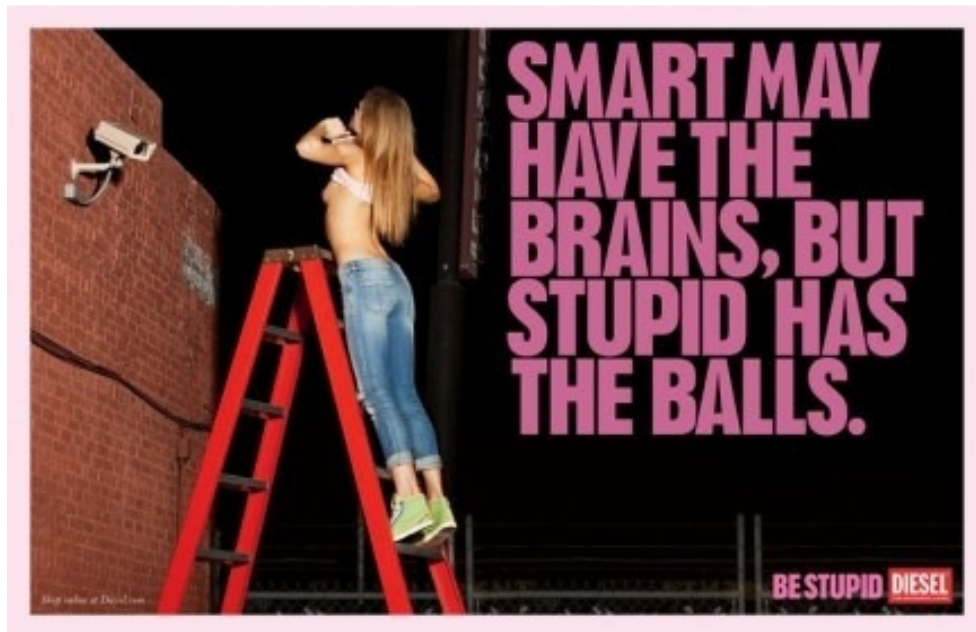
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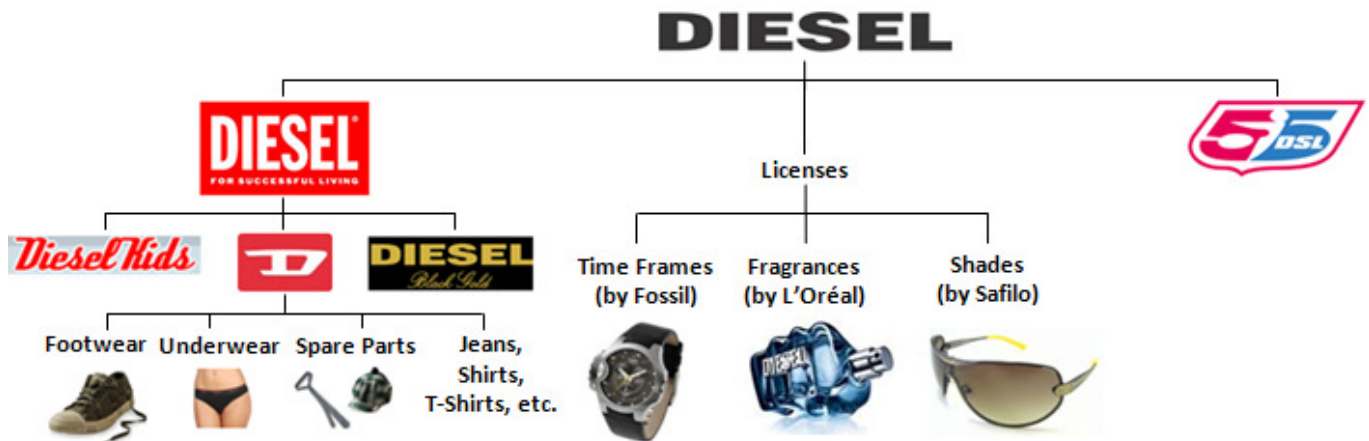
7. Appendixes

Appendix 1 – Examples of Diesel Advertising





Appendix 2 – Diesel product Portfolio



Time Frames



Fragrances

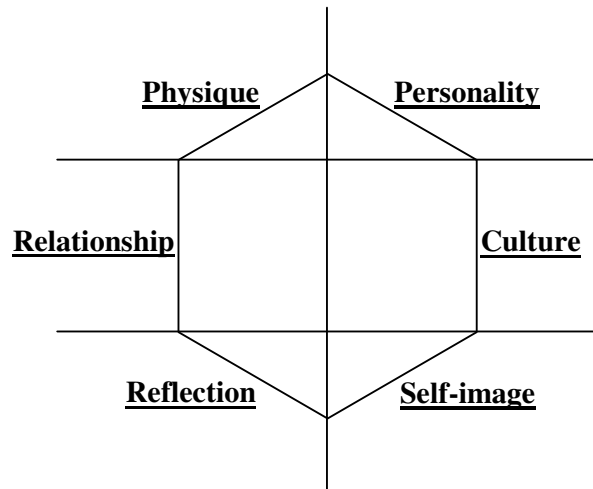


Shades



Appendix 3 – Kapferer Identity Prism

Kapferer (1986) conceptualized brand identity as a hexagonal prism:



Physique: A brand has physical specificities and qualities, is physique. It is made of a combination of either salient objective features (which immediately come to mind when the brand is quoted in surveys) or emerging ones. It is both the brand's backbone and its tangible added value. Physical appearance of the brand is important but it is not all. The physical facet also includes the brand prototype.

Personality: A brand has a personality. By communicating, it gradually builds up character; the way in which it communicates its products show what kind of person it would be if it were human. Brand personality is measured and described by those human personality traits that are relevant for the brand.

Culture: A brand is a culture. A brand should have its own culture, from which every product derives. Culture means the set of values feeding the brand's inspiration. The

cultural facet refers to the basic principles governing the brand in its external signs (products and communication); culture is at the core of the brand.

Relationship: A brand is a relationship. This facet defines the mode of conduct that most identifies the brand. This has a number of implications for the way the brand acts, delivers services, relates to its customers.

Customer Reflection: A brand is a customer reflection. Due to its communication and products, a brand will always tend to build a reflection or an image of the buyer or user which it seems to be addressing. One must not confuse between target and reflections; target describes the brand's potential purchases or users, while reflection is the way consumers wish to be seen as a result of using the brand.

Self-Image: A brand speaks to our self-image. This facet represents the target's own internal mirror (I feel, I am, etc.). Through consumer's attitude towards a brand, it is developed a certain type of inner relationship with themselves. Self-Image represents the image.

The brand identity prism demonstrates that these facets are all interrelated and form a well-structured entity, which defines a brand identity.

Appendix 4 – Interview Guide

1. Recruitment Filters

- Filter 1: Respondent must be between 16 to 40 years old
- Filter 2: 100% of the respondents should know the brand Diesel
 - 25% users of Diesel clothing
 - 25% users of Diesel Fragrances
 - 25% users of Diesel Shades
 - 25% users of Diesel Time Frames
- Filter 3: Respondent must be living in Portugal for 2 years or more

Filter 1	Age Range	16 – 40 years old
Filter 2	Profile Quota	Diesel Clothing: 25% Diesel Shades: 25% Diesel Fragrances: 25% Diesel Time Frames: 25%
Filter 3	Living in Portugal for 2 years or more	Yes: Set up the interview No: Stop interview

2. Guiding Principles

Warm up: Good Morning/Evening, I am currently doing research for my Master in Management's Final Work Project, and I am conducting a study about the brand Diesel. I will not ask you specific questions about the subject as in a standard questionnaire. This means that after the first question that I will introduce you now, you will be free to tell me whatever comes to your mind on the subject. If you don't mind, I will record the interview. This interview will last approximately 45 minutes. So, my questions are the following:

3. Questions

a) Sei que tem produtos da marca Diesel. Gostaria que me falasse um pouco sobre eles.

Topics to develop:

- Which products are used and why
- Importance of the brand in the buying decision
- Relationship between brand and product
- Perceived Competitors
 - “If XXX was a person, which kind of person would it be?”

b) Gostaria que me falasse um pouco sobre a marca Diesel e sobre o que a marca representa/evoca para si.

Topics to develop:

- Perceptions on the Brand
 - General perceptions
 - Product perceptions
- Projective Technique
 - “If Diesel was a person, which kind of person would it be?”
 - (e.g. age, gender, occupation, etc.)

Additional question (only if the respondent owns a product that belongs to one of Diesel licenses):

c) Did you know that the product that you have from Diesel is produced and managed by other firm (Fóssil/L'Oréal/Safilo)? Does this information make you reconsider what you said before?